



Dominion[®]

***PJM -- Value Added for
Consumers***

PJM: Enhanced Reliability for Consumers from Day One

PJM membership:

- Maintains and enhances Dominion's excellent system operations.
- Meets long-term infrastructure needs through optimal regional planning.
- Gives Dominion additional tools for ensuring grid security and adequate power supplies.
 - Provides real-time regional view of grid.





PJM: Essential for Competition

RTOs facilitate wholesale power market:

- Robust wholesale market essential to development of retail competition.
- All stakeholders, including competitive service providers, concur on the necessity of RTO membership.
- General Assembly mandated RTO membership in the Restructuring Act – reaffirmed in 2003.

PJM Integration: Producing Savings for Customers

PJM =

- **Increased low cost supply**
- **Less need to build high cost generation**
- **Lower prices**

**(\$537MM) if all
customers shop
7/1/07**

**Dominion
Revenues
Decrease**

**(\$281MM) if no
customer shops
until 1/1/11**

**\$464MM if all
customers shop
7/1/07**

**Virginia
Retail
Customer
Net
Savings**

**\$255MM if no
customer shops
until 1/1/11**



PJM Integration: Producing Savings for Customers

- Deferred costs associated with RTO integration:
 - Alliance start-up costs: \$15 million
 - PJM start-up costs: approximately \$25 million
 - PJM administrative fees: approximately \$40 million annually
- Dominion's revenue reduced between \$281 to \$537 million.
- Dominion and consumers share financial burden of RTO integration.

Net savings for consumers up to \$464 MM.

Dominion plus PJM: A Strong Foundation, New Value for Customers



- Enhanced reliability
- Optimized planning
- Savings for customers participating in market



Dominion®

- Operational excellence
- Native load protection



**Value Added
For
Consumers**

**Continued
Economic
Expansion in
Virginia**